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12 May 1977

MEMORANDUM FOR: Executive Assistant, Office of Personnel
FROM : [REDACTED]
Chief, Review Staff, OP
SUBJECT : S-1446, Financial Disclosure/Ethics, et al
REFERENCE : OLC memo (OLC 77-1827) dtd 9 May 77

STATINTL

Bob:

This is the same Bill that [REDACTED] sent out last week for comments. His version was the White House release and this one is apparently the same material with a Senate number attached to it.

STATINTL

As noted in the informal notes on the [REDACTED] request, apart from my aversion to the invasion of privacy at such a low level of financial interest (which is probably moot at this point as [REDACTED] notes there is no chance of change). I believe the Agency must be concerned with the authority of the Director of Ethics to monitor reports of Agency personnel, i.e., those employees under cover. Who sets the five per centum random sampling to be checked . . . how far can an investigation of an individual go in terms of publicity . . . would we have to clear . . . and swear to secrecy . . . the inspectors from the Director of Ethics? There are all sorts of ramifications of an apparently simple approach stated in the Bill.

STATINTL

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I read the questions posed by [REDACTED] as having to be answered by OLC itself or OGC. We can only have opinions. But for what they are worth, I don't think the Bill as written gives any latitude to the Director to set his own rules unless the "prohibited by law" caveat applies. The Director's authority to protect sources and methods, et al, might provide this protection.

STATINTL

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It is questionable if these rules would apply to individuals who use their own established employment as cover to do periodic pieces of work for us, and are not employees in the normal sense of the word. On the other hand, given the atmosphere evidenced by the Dellums Bill, there may be those who would regard such activities as coming under Title III, but exclusion from this Bill wouldn't solve that particular problem.

I doubt DDA can take a different position unless something is known there that we don't have. I would recommend responding to OLC that we agree the Bill poses problems, particularly in the area of protection of cover of certain employees (those with cover and those who may have cover at a future time) and that unless the CIA law protects us in this area, further exceptions should be built into the Bill. I don't believe we can rely on the good will of a Director of Ethics to allow for this factor in our personnel system. The Title III restrictions are such that I doubt CIA can be granted any exemption in the Bill. In this area, the good will of a Director of Ethics might come in handy on a case by case basis.

STATINTL

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